## REMARKS

Claims 1 and 8 have been amended and claim 2 canceled. Claims 1, 3-17 remain pending in this application.

## I. Rejection of Claims under Section 103

### A. Claims 1-3, 6 and 7

Claims 1-3, 6 and 7 stand rejected as being unpatentable over the combination of Lear '509, Alcaly '329 Gaini '672, Arbabi '695 and In re Aller. The examiner asserts that these references, in combination with each other, render applicant's invention obvious.

By way of background, selecting for an asset allocation strategy is one of three processes common to the business of selecting an investment portfolio. This invention produces the statistics necessary for comparing the relative value of an asset allocation strategy against the values of all other available allocation strategies and across a plurality of market environments.

The key to the present invention is that it produces comparative statistics of investment performance constructed for whole-populations of asset allocation alternatives. These whole-population statistics are critical to evaluating or selecting for an asset allocation strategy based on comparisons of past investment performance.

Investors value an allocation strategy in terms of its investment performance relative to the performance of all other strategies they could have selected. Market conditions change over time, and with those changes, the relative values of alternative strategies change.

An investor is critically interested in whether their asset allocation strategy selected on the basis of past market conditions will retain its relative value in light of future market conditions. The procedure for this is to measure, on a consistent and standard scale, the selected strategy's value relative to all other available strategies over multiple time periods. For this procedure, one must have at hand a database of comparative statistics of investment performance for whole-populations of asset allocation alternative. The consistent and standard comparison cannot be made any other way.

Existing methods of identifying the value of an asset allocation strategy using comparative performance statistics invoke an algorithm (an equation) to generate "an answer" that identifies a single or limited set of allocation alternatives. The process is to solve for some maximum to identify the "optimum allocation".

These algorithms found in the prior art use different sets of parameters to define this optimum. An algorithm commonly used is contained in the thesis, Modern Portfolio Theory, which produces a population of approximately 1% of the total available asset allocation alternatives population which had in a prior period the highest investment return as each point of risk across the breadth of investment risk.

There exist other algorithms as well. For example, Lear, prior art citation in the office action, solves for a single allocation strategy whose percentage allocations are "inversely proportional to the investment growth factor".

The office action states that applicant's present invention is obvious in view of the cited prior art. The prior art cited by the examiner each relate to the process of

investment management that utilize algorithmic methods for selecting an asset allocation strategy. Since an algorithm, by definition, solves for only a limited subset of available allocation choices, and in many cases a single choice, it cannot provide performance statistics by which to compare the relative values across a whole-population of allocation alternatives. This means that they are not relevant to processes to compare asset allocation alternatives across multiple time periods. In other words, they cannot "see" the whole population of asset allocation alternatives and therefore are not pertinent to applicant's claimed invention. The present invention is an improvement over existing methods of identifying a population of asset allocation alternatives that are derivative of the algorithm-methodology contained in Modern Portfolio that selects for an "efficient set" of allocation alternatives and, in general, over any other algorithmic methods to select for a single or limited set of allocation alternatives.

i. Claim 1

Referring now specifically to claim 1, Lear is relied on as the primary cited reference. Lear teaches the identification of a single asset allocation alternative, at a single point in time, through the solution to an algorithm. By definition, the identification of an asset allocation alternative by solution of an algorithm can only provide statistics of investment performance for a single or limited number of available asset allocation alternatives. However, Lear's method does not teach or render obvious, either alone or in combination with other prior art, applicant's method of constructing

comparative statistics of investment performance for whole populations of allocation alternatives because it is not relevant as prior art.

More specifically, Lear does construct an asset allocation strategy. And his construction is different than the algorithm-solution method taught in Modern Portfolio Theory. Lear does generate a single allocation alternative through an algorithm, which is the parameters of that algorithm calculating a set of recommended allocation percentages "inversely proportional to the investment growth factor", as disclosed therein. However, Lear fails to include a mechanism in his process for generating comparative statistics of a whole population of allocation alternatives.

Lear's method does not include either a process to provide investment performance data for a plurality of securities; or determine a series of periodic investment returns of each of the securities. He assumes that this data will be provided through an independent source and limits his processing to standardizing that external data and creating a confidence level (MER) around each measurement.

> "Calculating the risk/return relationship of a given investment proceeds as follows and requires, as inputs, the risk tolerance of the investor, the average return of the investment, and the standard deviation of the investment returns."
>
> Lear, column 4, lines 25-29

Also, Lear does not group these securities on the basis of this performance data into one of a plurality of market sectors, despite the examiner's assumption of implied grouping. Instead, the examiner's reference to this point refers to Lear's suggestion that the investor select candidate investments from difference market sectors as supplied by

external sources. His process does not include a mechanism for defining or otherwise creating those market sectors.

> "It is suggested that the investor select a representative number of vehicles from each of the commonly considered classes …"
>
> Lear, column 8, lines 3-4

Furthermore, the specific steps listed in claim 1, namely, 1) provide investment performance data for a plurality of securities; 2) group these securities on the basis of this performance data into one of a plurality of market sectors; and 3) determine a series of periodic investment returns of each of the securities are explanatory in nature and necessary disclosures of the implementation of the invention so that others may use it. .

In view of the foregoing, Lear fails to teach, as a primary reference, what the office action asserts that it does. As a result, the combination of Lear with the other secondary references cannot teach applicant's invention.

The office action also cites Arbabi. The office action asserts that Arbabi's teaching of determining allocation alternatives from the application of multiples of this minimum allocation percentage increment makes the method of the present invention routine and obvious. However, it appears that the examiner has misunderstood the teaching of Arbabi.

Arbabi does not teach determining allocation alternatives from the application of multiples of this minimum allocation percentage increment. The prior art is completely devoid of a teaching of such a process in regard to investment management practice. For these reasons, the reasoning in the office action is flawed because "one of ordinary

skill in the art" would not have been motivated to modify the reference in order to find all allocation alternatives.

Briefly, Arbabi's process provides a system to effectively schedule resources in a complex resource constrained environment. The "allocation" reference used by the examiner is one process of this system and pertains to the allocation of the amount of available system resources among a set of tasks.

> "The first step in the process is initialization 401 wherein the set of requests to be scheduled and the processing controls are input to the system. A primary sort 402 is done to determine the order of request processing according to an "importance" ranking. Next, the feasible segments are determined at 403. This determination defines the times where the request could conceivably be scheduled with respect to constraints and resource availabilities (see column 5, lines 1-8)."

Arbabi does not teach determining alternatives to this system-resource allocation from the application of multiples of minimum allocation percentage increments. Arbabi's reference to "5% increments" noted in the office action pertains not to the division of these available system resources, but to a periodic sampling of the workflow, known as "the percent of the allocation completed", against the anticipated pace of that workflow. Arbabi divides the anticipated time into 5% increments, not the amount of system resources.

Furthermore, Arbabi does not attempt to divide the system resources into minimum allocation percentage increments, but instead views the allocation of system resources as a dynamic where those allocations remaining flexible to the results of the testing procedure (see column 2, lines 3-8).

> "The present invention incorporates innovative methods to reduce the complexity of the scheduling problem, including Laxity Heuristics, a procedural implementation of an expert system approach which evaluates the list of unscheduled requests to choose a resource allocation which leaves as many options as possible for the remaining requests. "

Additionally, in 55 years of industry usage of quantifiable evidence of performance differences for asset allocation alternatives in a past time period to advise on the allocation of investment portfolio assets for a future time period, there exists no record of an investment advisor or economist casting that advice in terms of a whole population of asset allocation alternatives determined through the application of a minimum allocation percentage increment.

In view of the foregoing, applicant's unique process is not simply routine experimentation but a quantifiable, concrete method for constructing a population of asset allocation alternatives. Thus, the examiner's citation of In Re Aller is not applicable and should be withdrawn.

The office action further cites Gaini for the teaching of a single asset allocation strategy based on the match of an investor's risk tolerance with one of (6) "personality categories" as illustrated in figures 7 and 8 of his patent. The range of asset allocation alternatives considered for each of personality categories is limited, for example the range of allocation choices for the allocation class "CAT 4 (MMF)" (line 5 of Figure 7), which is from 0-20%. If Gaini's system were to be used to produce comparative statistics of investment performance for a whole-population of asset allocation alternatives, that range would need to be 0-100%.

However and most importantly, Gaini does not teach creating a list of the all possible allocation alternatives that can be determined from the application of all multiples of a minimum allocation percentage increment for all determined market sectors. For this reason, Gaini cannot be properly combined with Lear, Arbabi and In re Aller because it cannot be obvious that one of ordinary skill in the art because they would not have been motivated to modify the reference in order to show all allocation alternatives, as discussed in detail below.

More specifically, Gaini teaches a process to allocate the assets of an investment portfolio independently of the algorithm-solution outlined in Modern Portfolio theory. Gaini's process relies on the identification by the investor of membership to one of (6) "personality categories" which determines his tolerance for investment risk. Based on the investor's selection of a personality category, an asset allocation strategy is recommended based on the ranking of the available investments by risk (see paragraphs 0013 to 0080, page 5):

> "0013] In view of the state of the art described, an object of the present invention is to provide a method of producing a personalized ranking of financial investment products for an investor, particularly but not exclusively for use in order to establish a personalized composition of a portfolio of the said financial investment products, for example, a portfolio of shares in mutual funds.
> Gaini - US 2002/0147672 Al - Page 1
>
> [0074] When the proportion TIA1 of the investor's assets has been calculated in dependence on his level of experience, its distribution is calculated (box 507 in FIG. 5, detailed in FIG. 6). With reference to FIG. 6, the calculation proceeds in the following manner.

> [0075] First of all, the system establishes to which category of a plurality of personality categories the investor belongs, on the basis of the information provided by the investor in reply to the questions in the questionnaires, particularly the questionnaire relating to the investor's personality (box 601 in FIG. 6). Purely by way of example, with reference to the chart of FIG. 6, there are six personality categories PC1-PC6. For each of the six categories PC1-PC6, there is a corresponding given distribution of the proportion TIA10f the assets to be invested, calculated as described above, into various categories of mutual funds CATl-CAT4 (box 602 in FIG. 6).
>
> The categories of mutual funds considered are, for example:
> [0076] CATl: stock mutual funds
> [0077] CAT2: balanced mutual funds
> [0078] CAT3: bond mutual funds
> [0079] CAT4: money market mutual funds (MMFs)
>
> [0080] An example of the allocation of the investor's investable assets TIA1 is given in the table of FIG. 7. It should be noted that the allocation given represents purely an example of an allocation which is in no way limiting. In general, on the basis of the replies provided by the investor to the questionnaires, a certain number of personality categories is created, to each of which a predetermined distribution of the assets to the various categories of mutual funds will correspond. "
> Gaini - US 2002/0147672 Al - Page 5

Thus, Gaini's system of recommending an asset allocation strategy based on membership of the investor to one of six personality categories does not generate comparative performance statistics of whole populations of allocation alternatives, For these reasons, Gaini is not relevant as prior art and cannot be properly combined with the other cited prior art under Section 103.

The office action further cites Alcaly in combination with the foregoing prior art references. Alcaly does not teach a method for constructing whole populations of asset allocation alternatives and his process does not include a method for ensuring that

comparative statistics of investment performance are producing that are inclusive of those generated from a whole population of allocation alternatives.

Alcaly teaches creating performance indices of asset classes that can be used by portfolio managers whose portfolios can contain short-interest positions. His method anticipates that these indices be formed from combinations of the market valuation of these short-interest positions within a single asset class. Despite the assertion found in the office action, this is not the same as an asset allocation alternative, which is formed from combinations of asset classes, as found in applicant's invention.

Alcaly does suggest, in paragraph [0015], to combine these indices using varying allocation weights. He does not, however and critically, suggest a method for ensuring that these combinations include a whole population of alternatives. Instead, Alcaly leaves this issue open to the investor's discretion.

> "There are an infinite number of weighting combinations that can be determined in a variety of ways. Moreover, the weights do not have to add to one."

In contrast, applicant's invention requires, in claim 1 as amended,

> 1) generate a series of the average of periodic investment returns for the population of securities within each of the plurality of market sectors; and
>
> 2) calculate a series of weighted-average periodic returns for each of the allocation alternatives

These steps explanatory in nature and included as a necessary disclosure of the implementation of the present invention so that others may use it. For that reason, these steps are not merely routine in nature. Furthermore, as demonstrated by the above citation from Alcaly regarding the issue of combining asset indices, the

mechanism for producing an inclusive whole-population of asset allocation alternatives is not taught or suggested by the prior art and demonstrates that applicant's invention cannot be merely obvious.

Therefore, in view of the foregoing, applicant submits that claim 1 is patentably distinct and not obvious over the combination of Lear, Alcaly, Gaini, Arbabi and In re Aller. The support for combining all of these references together is weak. In fact, as above, the references actually teach away from each as they relate to very different methodologies. Thus, the combination of these references together under Section 103 is clearly the result of hindsight reconstruction of applicant's invention. Applicant requests that the rejection under Section 103 be withdrawn.

ii. Claim 2

As to claim 2, the rejection of this claim is moot in view of the cancellation thereof.

iii. Claim 3

As to claim 3, applicant disagrees with the characterization of Lear found in the office action. Lear does not, in fact, teach the number of market sectors to be five. In Column 8, line 3-11, Lear suggests the investor "select a representative number of vehicles from each of the commonly considered classes" and lists out two such sets of classes. It is not possible to get either of his two suggested set to add up to five asset classes, Furthermore, the "etc." at the end of each asset class list in Lear indicates and open ended recommendation as to number to be considered.

iv. Claim 6

As to claim 6, Arbabi does not teach market sector allocations that are determined in minimum allocation percentage increments of 5 percent, as required by applicant's claimed invention. Since Arbabi does not teach this claim element, the combination of reference with Lear fails to teach the invention set forth in claim 6.

v. Claim 7

As to claim 7, Alcaly does teach that the number of available asset allocation alternatives can be infinite. Alcaly states that:

> "There are an infinite number of weighting combinations that can be determined in a variety of ways. Moreover, the weights do not have to add to one."

However, this insight carries no practical value. Alcaly does not provide a method for resolving this insight into a process that can be implemented as a quantifiable business process to arrive at a representation of a whole-population of asset allocation alternatives from which comparative statistics of investment performance can be constructed.

Applicant's process does not teach "repeat[ing an] analysis for all possible allocation alternatives in order to find the best allocation of investment". The examiner has misread applicant's invention and has assumed that it does. In fact, the applicant is not proposing a selection process and does not set forth such a process in the instant application.

In view of the misreading of applicant's claimed invention and the teaching of Alcaly's, the examiner's rejection must be withdrawn because applicant's process is not a routine process or an obvious modification over prior art.

Also, since dependents claims 2-3, 6 and 7 depend from now allowable claim 1, applicant submits that dependent claims 2-3, 6 and 7 are also allowable over the cited prior art.

**B. Claim 4**

Claim 4 stands rejected as being unpatentable over the combination of Lear '509, Alcaly '329 Gaini '672, Arbabi '695, In re Aller and Luskin '987.

Luskin is cited for the teaching of a plurality of securities that include "book-valued investment funds." Applicant's claim 4 teaches that his method can be applied to "plurality of securities includes domestic and foreign securities." This is a larger population than the population of "collective investment funds" as referenced in the office action and Luskin. Applicant's method relies on the consistency and timeliness of date regarding investment returns. As an asset, public-market securities provide such data and this claim informs the reader that both domestic and foreign securities can be used.

Therefore, the additional citation of Luskin fails to teach the claimed invention in Claim 4. Since dependent claim 4 depends from now allowable claim 1, applicant submits that dependent claim 4 is also allowable over the cited prior art.

**C. Claim 5**

Claim 5 stands rejected as being unpatentable over the combination of Lear '509, Alcaly '329 Gaini '672, Arbabi '695, In re Aller and the examiner's office notice.

Applicant's disagrees with the assertion in the office action that use of forty years of quarterly past performance instead of twenty years for allocation performance measure is "old and well known". Applicant challenges the examiner's official notice. There is no support found for this broad and sweeping statement. Applicant requests that the examiner provide supporting documentation for this position.

Applicant submits that there exist few if any investment managers whose analysis of past time period investment performance goes to even twenty years, much less forty. Most comply with the regulated minimum of ten years investment history. Common practice in the industry teaches away from the examiner's position. It appears that the examiner's official notice is hindsight reconstruction of applicant's invention.

Also, since dependent claim 5 depends from now allowable claim 1, applicant submits that dependent claim 5 is also allowable over the cited prior art.

**D. Claims 8, 9, 11, 12, 14-17**

Claims 8, 9, 11, 12, 14-17 stand rejected as being unpatentable over the combination of Lear '509, Alcaly '329 Gaini '672, Arbabi '695, Purcell '054 and In re Aller.

i. Claim 8

Applicant's comments and arguments in connection with claim 1 are equally applicable to claim 8. As a result, they are incorporated herein as to claim 8.

Lear teaches the identification of a single asset allocation alternative, at a single point in time, through the solution to an algorithm. By definition, the identification of

an asset allocation alternative by solution of an algorithm can only provide statistics of investment performance for a single or limited number of available asset allocation alternatives.

Lear's method does not teach or render obvious applicant's method of constructing comparative statistics of investment performance for whole populations of allocation alternatives because. As above, Lear is not pertinent to applicant's method. While, Lear does construct an asset allocation strategy, his construction is different than the algorithm-solution method taught in Modern Portfolio Theory. However, Lear generates only a single allocation alternative through an algorithm where the parameters of that algorithm calculate a set of recommended allocation percentages "inversely proportional to the investment growth factor". Therefore, Lear's process does not include a mechanism in his process for generating comparative statistics of a whole population of allocation alternatives.

Moreover, Lear's method does include a method for acquiring investment performance data for a plurality of securities; and does calculate the average of these periodic returns and a measurement of the variance of the periodic returns around this average for each investment.

However, Lear does not group the investments into categories of investments having uniquely similar levels and patterns of investment risk, known as asset classes. Instead, Lear asks his investor client to make such determinations using external sources. Lear does not calculate the performance statistics for each allocation alternative for each analysis-period because Lear's algorithm only calculates these

statistics for the allocation alternative that satisfies his algorithm based on the relative growth factors of each alternative. Finally, Lear does not standardize population-comparison statistics by recalculating the statistics to a standard scale in terms of deviation of the measure from a population average. Instead, Lear standardizes the statistics for each security against the deviation of its periodic returns its own average return because there exists no mechanism to standardize those returns against a broader, whole-population average.

Also, as above, Alcaly calculates an average historical return for an asset-class population of securities to create his asset-class indices. In accordance with the present invention, the applicant also calculates an average of periodic returns group for an asset. Alcaly's calculation, however, involves averaging the changes in market value for a population of derivative instruments over a total time period– not an average of the periodic investment returns generated by a population of securities over that time period (see paragraph 0014).

> "[0014] Second, calculate indices for each commercial asset class, hence a global currency index, a global bond index, and a commodity index. Each of these indices may be calculated by applying the algorithms described below to the market prices of representative futures contracts for each asset class. For example, the MLM Index™ algorithm (described below) may be used, except that a separate index is created for each commercial asset class."

The novelty of Alcaly's invention is in the unique algorithm he uses to establish these valuations. The process in Alcaly is different than calculating the average for a series of periodic returns one would encounter in a population of cash-market securities.

Alcaly also teaches combining the returns calculated for indices from different asset classes an asset allocation alternative, citing that an "infinite series of these asset allocation alternatives can exist". The return calculated for this asset allocation alternative, however, is also the product of Alcaly's unique valuation algorithm and not made from averages of a series of periodic returns. As above, applicant disagrees with the examiner's assertion of obviousness under Section 103 and submits that the combination of numerous references cannot be combined to arrive at applicant's invention in claim 8, as amended. Even if these references are combinable under Section 103, they fail to meet all of the limitations of claim 8.

Still further, applicant's invention does not find the optimum allocation among a population of allocation alternatives. The examiner is incorrect about the motivation of one skilled in the art. If one were motivated by the work of Arbabi and Gaini to modify their algorithmic processes to find the optimum allocation they could not possibly arrive at applicant's invention.

The examiner asserts that the step within Claim 8, of "standardizing population-comparison statistics by recalculating the statistics to a standard scale in terms of deviation of the measure from a population average and comparing the statistics across a time-series of analysis-period populations" would have been obvious to one of ordinary skill in the art and cites Purcell, at paragraph 0027, as purportedly teaching such a step. Purcell's Paragraph 0027 is a description of his system for generating a partial population of "efficient frontier" allocation alternatives from the algorithm contained in Modern Portfolio Theory. In Paragraph 0027, Purcell does not discuss

retaining the statistics derived as the solution to this algorithm over multiple periods, nor does he broach the topic of standardizing the performance statistics from a single-period population against a whole-population average.

Indeed, since it is impossible for Purcell to generate whole-population average statistic from the solution set to a MPT algorithm, one could not expect that he would propose a standardization process based on such a statistic or that he would anticipate comparing these types of standardized statistics across a time-series of analysis-period populations. Thus, this teaches away from the combination under Section 103 suggested by the examiner.

ii. Claim 9

Investment portfolios are most commonly made from publicly-traded securities because this is a population from which statistics of performance returns can be readily and accurately determined. Lear and the applicant both condone this practice. Both Lear and the present invention would find it difficult to calculate a statistic of periodic return for assets for which this data could not be readily and accurately determined.

However, since dependent claim 9 depends from now allowable claim 8, applicant submits that dependent claim 9 is also allowable over the cited prior art.

iii. Claim 11

Applicant's claim 11 requires that the data acquired is "a set of calculated investment returns for a contiguous set of time periods for each investment." By regulation, average returns are to be calculated from a contiguous series of periodic

returns. If one were not to adhere to this requirement, it would be impossible to determine the validity of that average. Therefore, the cited art cannot be properly combined to arrive at applicant's invention.

However, since dependent claim 11 depends from now allowable claim 8, applicant submits that dependent claim 11 is also allowable over the cited prior art.

iv. Claim 12

Applicant's response is the same as the response to claim 7 above and is, therefore, incorporated herein. Alcaly suggests that the possible number of allocation alternatives can be "infinite" but does not suggest a process to deal with this infinity. In contrast, the process of the present invention creates a grouping of a whole population of asset allocation alternatives from which comparative statistics can be produced. This process is not a routine procedure and, as a result, is not obvious.

Further this process is devoid of a teaching for finding "the optimum allocation". This is a motivation for those utilizing existing methods of defining a population of alternatives from the solution to an algorithm. It is completely unrelated to the purposes of applicant's method and the examiner's citation of references fail to render applicant's claims obvious under Section 103.

v. Claim 14

Alcaly's reference to "weight" in paragraph [0015] is in the context of creating combinations of asset classes. In the office action, the examiner interprets this weighting as creating asset allocation percentages. The examiner uses the same

language to imply using weighted averages to create return averages for a single asset-class. This is a misreading of the citation.

It would not be obvious for one reading Alcaly's description of the generation of asset allocation percentages to calculate a weighted average for a population of securities within an asset class.

Also, since dependent claim 14 depends from now allowable claim 8, applicant submits that dependent claim 14 is also allowable over the cited prior art.

vi. Claim 16

Lear and applicant's method both use average return and periodic returns variance statistics in our methods. These are common tools among investment managers for describing the value of their investment strategies. However, claim 16 is dependent on allowed base claim 8 and should also be allowable.

vii. Claim 17

Lear and applicant's method both use statistics of differential return, average return and periodic returns variance in our methods in our methods. These are common tools among investment managers for describing the value of their investment strategies. However, claim 17 is dependent on allowed base claim 8 and should also be allowable.

In summary, since dependents claims 9, 11, 12, 14-17 depend from now allowable claim 8, applicant submits that dependent claims 9, 11, 12, 14-17 are also allowable over the cited prior art.

**E. Claim 10**

Claim 10 stands rejected as being unpatentable over the combination of Lear '509, Alcaly '329 Gaini '672, Arbabi '695, Purcell '054, In re Aller and Luskin '987.

The examiner refers to a reference of "Schirripa", however, this patent is not of record. Applicant requests that the examiner identify this Schirripa reference with more specificity so the rejection as to claim 10 may be better understood.

Also, since dependent claim 10 depends from now allowable claim 8, applicant submits that dependent claim 10 is also allowable over the cited prior art.

**F. Claim 13**

Claim 13 stands rejected as being unpatentable over the combination of Lear '509, Alcaly '329 Gaini '672, Arbabi '695, Purcell '054, In re Aller and the examiner's office notice.

Claim 13 identifies a method of creating an average for a series of periodic returns that is different from the industry-standard value based on the logarithmic average of that series. It indicates a scope for this invention that would not otherwise be appreciated by a person of ordinary skill in the art.

Since dependent claim 13 depends from now allowable claim 8, applicant submits that dependent claim 13 is also allowable over the cited prior art.

**G. Claim 15**

Claim 15 stands rejected as being unpatentable over the combination of Lear '509, Alcaly '329 Gaini '672, Arbabi '695, Purcell '054, In re Aller and Chacko '568.

Chacko is cited for use of a method for creating a weighted average for a population of bonds. However, he applies it to generating an weighted average of total returns, not periodic returns. However, claim 15 calls for an alternative method for creating an asset-class average for periodic returns. A weighted measure for total return is then calculated from the combination of a series of weighted periodic returns. It indicates a scope for this invention that would not otherwise be appreciated by a person of ordinary skill in the art.

Also, since dependent claim 15 depends from now allowable claim 8, applicant submits that dependent claim 15 is also allowable over the cited prior art.

## II. Conclusion

Applicant submits that Claims 1, 3-17, as amended, are allowable over the cited prior art. In view of the above, Applicant submits that pending Claims 1, 3-17 are now in condition for allowance. Reconsideration of the Rejections and Objections are requested. Allowance of Claims 1, 3-17 at an early date is solicited.

If an extension of time is required for timely submission of this response, Applicant hereby petitions for an appropriate extension of time and the Office is authorized to charge Deposit Account 02-0900 for the appropriate additional fees in connection with the filing of this response.

The Examiner is invited to telephone the undersigned should any questions arise.

Respectfully submitted,

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